

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	18499	Agenda Number	52.
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Meeting Date:	September 27, 2012
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Department:	Purchasing
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## Subject

Authorize award and execution of a 12-month requirements service contract with JOHN L. WORTHAM AND SON, L.P. for Public Employee Blanket Bond and Commercial Crime Insurance in an estimated amount not to exceed \$15,707, with five 12-month extension options in an estimated amount not to exceed \$17,278, \$19,006, \$20,907, \$22,998 and \$25,298 respectively, for a total estimated contract amount not to exceed \$121,194.

## Amount and Source of Funding

Funding in the amount of \$15,707 is available in the Fiscal Year 2012-2013 Operating Budget of the Human Resources Risk Management Department. Funding for the extension options is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest bid received.
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Prior Council Action:	
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For More Information:	Jeff Dilbert, Corporate Purchasing Manager, 512-974-2021
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Boards and Commission Action:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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## Additional Backup Information

This contract will provide for a public employee blanket bond and commercial crime insurance policy for all employees. The contract is with insurance broker John L. Wortham and Son, LP. who will secure Commercial Crime coverage through National Union Fire Insurance. National Union Fire Insurance has an A.M. Best Rating of Excellent. The coverage is effective October 20, 2012 with five 12-month extension options.

This coverage provides protection for theft of money and securities with a \$5 Million limit, a \$1 Million for forgery or alteration, a \$1 Million for premises robbery or safe burglary, and a \$1 Million for faithful performance of duty. The policy covers all employees, and the premium is based on the number of employees. The City required the most comprehensive coverage available in the market, with all coverages combined under one policy.

The coverage is in compliance with GASB 10 requirements, and audits are performed for the City on an annual basis. All departments are audited. There are approximately 400 positions at the City where employees have authority to handle money.

MBE/WBE solicited: 5/9

MBE/WBE bid: 0/0

#### **BID TABULATION**

IFB No. JSD0010

Public Employee Blanket Bond and Commercial Crime Coverage  
(3 line items)

#### **Vendor**

John L. Wortham and Son, L.P.  
Houston, TX

#### **Total Price**

\$15,707

Texas Municipal League

\$17,661

A copy of the complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

#### **PRICE ANALYSIS**

- a. Lowest responsive bid of two bids received.
- b. One hundred and thirty notices were sent, including five MBE /nine WBEs. One bid was received. No MBE /WBEs responded.
- c. This represents a 6% decrease from the previous contract.

#### **APPROVAL JUSTIFICATION**

- a. Lowest responsive bid.
- b. The Purchasing Office concurs with the Human Resources Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.